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MONTHLY PROJECTIONS
SEPTEMBER 1984

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STRIKE DISRUPTIONS STALL ECONOMIC GROWTH IN SEPTEMBER

Despite a significant rebound in consumer activity, economic activity showed no growth in September. The source of this weakness was a significant deterioration in business inventories as a result of strike disruptions in the automobile industry. The degree of slowing in automobile activity only affected one portion of the month of September, as the strike was settled before the end of the month. Production should recover modestly in October, but the largest rate of increase should be recorded in November. Our estimates showed minimal growth of real economic activity in August and no growth in September. Even with the resumption of increased production economic activity during the fourth quarter will be sluggish. More significant growth in production is expected in the first quarter of 1985; but consumer activity is expected to be restrained by reduced gains in purchasing power about that time. Thus, production once again is expected to slow in the second and third quarters of 1985, although construction activity, which is expected to decline significantly during the fall and winter months, should be adding to economic growth at that time.

It should be noted, however, that the index of hours worked increased in September despite no growth in production. Indeed, productivity gains during the third quarter probably did not exceed one percent while unit labor costs appeared to have increased by more than four percent. Although our estimates still show that the GNP deflator will increase close to that four percent rate of gain in labor costs, the initial estimates of prices contain in the "flash" would suggest a significant profit squeeze already beginning during the third quarter. Because interest rates have been declining as a result of this reduced economic growth, partially resulting from a shift towards increased savings in the household sector, stock prices also should have increased. While a significant summer rally developed in early August, little further gains have developed in the equity markets since that time. Thus, the stock market does not fully reflect the existence of a profit squeeze during the third quarter, but it is becoming concerned that such a squeeze in profitability could develop in the fall quarter. Our own projections indicate that unit labor costs will be growing nearly five percent during the fall while the private deflator will be increasing only slightly more than four percent. Thus, a decline in profitability is very likely at that time.

Although the most substantial contributor to reduced economic activity during the third quarter was the shift in consumer activity, fixed investment also grew at a much slower pace than during the first part of the year. For example, shipments of nondefense capital goods are expected to show a growth at nominal rate of less than four percent during the summer. In addition, there has been virtually no growth in nonresidential construction spending during the summer months. Of course, residential construction declined in the summer. Thus, the brisk increases in investment activity that were recorded in the first six months of 1984 were not sustained during the summer. When the slowdown in investment growth is added to the acceleration in consumer savings, a reduction in interest rates that did materialize is easy to understand.

Moreover, foreign investors continue to seek the dollar for their portfolios. By the end of the quarter, the Federal Reserve apparently was attempting to increase available reserves in an effort to lower short-term interest rates and stem the speculative flow of funds into the dollar-based assets. Thus far, the Federal Reserve has not been successful in offsetting those foreign flows, although Federal Reserve action has not been effectively timed and has been less aggressive than necessary to achieve a reversal in the dollar's upward course. Because the increased strength in the dollar provides the Federal Reserve with leeway to significantly increase available reserves without stimulating any significant inflationary fallout, it is likely that short-term interest rates will remain near current levels for the remainder of the quarter. However, even foreign investors must eventually be satiated with dollars. In addition, such accommodations by the Federal Reserve should begin to increase growth of monetary aggregates before the end of 1984. Thus, increasing inflationary concerns should reappear early in 1985. At that time, a less accommodative Federal Reserve probably will be generating higher short-term interest rates. Because inflationary pressures also will be intensifying, long-term interest rates will probably be rising. However, economic expansion will not be sufficiently robust to reawaken an investment boom. At the same time, some moderation in government's use of the credit markets as a result of higher Social Security taxes and results of the 1984 tax legislation, should prevent the upward movement of interest rates from becoming substantial. Toward the end of 1985, interest rates are expected to turn downward.

QUARTERLY PROFILE OF GNP

	1984-2	1984-3	1984-4	1985-1	1985-2	1985-3
Real:	7.1	3.8	3.0	4.5	3.4	2.6
Price:	3.3	4.0	4.3	5.6	4.9	5.0
Nominal:	10.7	8.0	7.5	10.3	8.6	7.6

Monthly Statistical Highlights for September 1984

construction expenditures +0.4%; housing starts - unchanged; business inventories +0.7%; orders for durable goods +0.6%; orders for nondefense capital goods +2.2%; CPI +0.4%; consumption deflater +0.3%; leading indicator +0.2%; real GNP - unchanged.

Monthly Statistical Highlights for October 1984

Payroll employment +144,000; index of hours worked - unchanged; household employment +399,000; civilian unemployment rate 7.4%; personal income +0.5%; savings rate 6.1%; personal consumption +0.7%; retail sales +0.8%; auto sales 10.3 million; housing starts -4.4%; housing permits -5.2%; construction expenditures -1.1%; business inventory +0.9%; orders for durable goods +1.1%; orders for nondefense capital goods +1.0%; industrial production +0.5%; CPI +0.3%; PPI +0.6%; consumption deflator +0.4%; leading indicators +0.3%; real GNP +2.9%; and M1 +10.5%; and M2, 11.3%.

COMMENTARY

Employment - The 139,000 increase in payroll employment during September was even worse than it looked; for 50,000 people returned to their health services jobs from strike activity, while payrolls in local government increased by 70,000. This increase largely reflects the return of educators and more properly measures faulty seasonals than any surge in educational employment. Of course, the GM strike raised concerns in related industries. Apparently, those industries did not replace their normal turnover in September. This probably explains why the workweek increased even as employment declined in most manufacturing industries. More significant payroll expansion should develop in October. Nevertheless, the September employment report did not show strengthening in employment opportunities. Indeed, only an unanticipated shrinking of the female participation rates prevented the unemployment rate from actually rising. That shrinking of female participation rates cannot be expected to persist. Thus, the acceleration in employment during October should have not appreciable effect upon lowering the unemployment rate. Indeed, an increase in the unemployment rate to the levels recorded in July and August should not be surprising.

If our estimates of economic activity are correct for September, the sharp expansion in hours worked during that month reflects a significant deteriotation in corporate profitability. In addition, the hourly earnings index expanded by 0.7%, although it remains only 3.5% above previous year levels. Nevertheless, labor cost presures are beginning to intensify at this stage of the cycle.

Personal Income and Outlays - Most of the personal income gains in September are the result of significant expansion in wages and hours of employment. The impact of hurricane Diana will partially reduce personal income gains during September, but significant expansion is expected in disposable income. This will be beneficial, because the strength in outlays appears to also be significant. Despite a significant slowing in purchases in the services component, reflecting a moderation in financial transactions, a surge in nondurable goods spending appears to have developed. Some of this dramatic increase appears to be the result of increasing activity; but sharp expansion in purchases of gasoline and some food items more properly reflects increases in prices. Even with this surge in nondurable goods, however, the savings rate remains largely unchanged during September.

Retail Sales - The General Motors strike impacted the availability of automobiles. As a result, sales fell sharply late in September and are expected to remain weak early in October. This will prevent sales from rebounding in October. However, sharp gains in automobiles sales should be recorded in

November. Moreover, the increase in nondurable sales during September appears to reflect a bunching of activity rather than a dramatic reawakening of consumer desires for nondurable goods. Indeed, the surge in gasoline purchases probably reflects price changes rather than a volume increase. Thus, much slower gains in retail activity are expected in October.

Construction - Weakness in single family housing sales has led to a downward revision in estimated single family starts for the next several months. This weakening in sales appears to be the result of declining mortgage rates. Apparently, many potential home buyers view the improving mortgage condition as the beginning of a trend and do not wish financial commitments until they know how much lower mortgage rates will fall. Also, changes in the tax law appear to have impacted multi-family activity. Multi-family starts should remain near 600,000 units for the remainder of this year and may actually fall slightly below that level for a short period of time early in 1985. However, this decline in housing starts is not expected to go much further. Indeed, starts probably will be trending upward in the second half of 1985.

Construction prices have shown little trend in recent months, partially as a result of significant weakness in lumber products. This weakness in lumber prices is expected to continue into the spring of 1985. During the next year, the implicit construction cost index is expected to increase only 4.5%. Moreover, this surge in nonresidential construction appears to have ended. Indeed, significant slowdowns in cancellation of utility construction required a dramatic slowing in our projections for that sector. This has caused a significant slowing in total construction expenditures during the fall and continuing into the early months of 1985.

Business Activity - When are orders for nondefense capital goods going to rise? After a dramatic surge in the spring, these orders have trended downward in recent months. There is some evidence that orders are rebounding following the important trade show in September. However, a rebound now is necessary, because orders are approaching the level of shipments. To be sure, capital spending is stronger than this direction of orders suggests, as foreign supplies are meeting the demands of domestic purchasers. Indeed, capital spending could continue surge into 1985 without generating any appreciable increase in employment in the capital goods industry.

Of course, the GM strike will reduce the shipment of some transportation equipment during September and early October. This will have a restraining effect on the growth of durable goods orders in those two months.

Prices - Once again the September PPI has no relationship to underlying inflationary pressures. The dealer discounting reduced automobile prices by nearly 5% in the September PPI. If more realistic procedures for dealer discounts were used, ones that are weighed by the volume of cars shipped during that month, the PPI would have been 0.2 percentage points higher. When shipping distortions are not a problem in October, this will add 0.2 percentage points to that month's PPI. However, gasoline shipments also created distortions in September. Despite significant increases in announced wholesale prices for gasoline, the BLS reported a further decline in gasoline prices. Apparently, most of the August gasoline was delivered early in the month. Because of this shipment distortion, gasoline prices will take a large unseasonal increase in September. This explains why we are showing a 0.6% increase in the October PPI, which uses September gasoline shipments, despite a modest slowing in the October CPI.

FINANCIAL MARKETS

During the summer months all forces were favorable for declining interest rates. First, the household sector sharply increased its savings rate while reducing its mortgage borrowings and slowing the rate of increase of consumer installment debt. Secondly, the corporate sector sharply slowed its growth of fixed investment even as our figures suggest the corporate profitability continued to increase. Third, significant gains in tax payments appeared to have slightly reduced total government deficits. Finally, foreign investors once again desired American financial assets. In short, all forces were moving toward encouraging declining rates of interest.

During the fourth quarter, however, the government sector no longer will be reducing its claim upon credit markets. Indeed, significant government supply caused by delays in changing the debt limitation may create some surpluses in available government securities. Also, the household sector appears to be reducing its rate of savings in the fall, although declines in the accumulation of mortgage debt largely offset this influence. If the corporate sector once again increases growth for fixed investment, a condition not yet anticipated by prevailing orders, then interest rates will need to rise before the end of the quarter. This increase could be further exacerbated by any shift against the dollar by foreign investors. At the present time, however, any shift toward increasing interest rate pressure should be modest. Early in 1985, however, the slowing of mortgage debt accumulation is expected to end. Our projections show further significant decline in household savings. Moreover, a modest profit squeeze in the corporate sector could increase corporate borrowing even if fixed investment shows significant strength. Thus, interest rates are expected to rise early in 1985, but the degree of increase should fall well below levels argued by some prominent Wall Street economists. By the end of 1985, interest rates once again should be trending downward unless foreign investor sentiment has shifted so dramatically against the dollar that the Federal Reserve will be encouraged to restrain monetary growth in an effort to control the degree of decline in the dollar's value.

Equity Markets - Our figures suggest that corporate profitability continue to grow during the third quarter. With interest rates declining, the combination was especially favorable for rising equity values. A summer rally did materialize, but the magnitude of this rally was not significant. Apparently, the market began looking ahead to possible profit squeezing in the fourth quarter and early in 1985. Our estimates suggest that such concerns are justified. However, falling interest rates through the fourth quarter should restrict the degree to which equity values can decline. During the first half of 1985, however, declining profitability and rising interest rates should cause a significant decline in stock market values. Indeed, the Dow Jones could trade in the vicinity of 1100 early in the year. Later in the year improved profitability and declining interest rates once again should provide opportunities for equity investment.

EMPLOYMENT

	Payroll Employment		Index of Hours Worked		Household Civilian Employment		Civilian Unemployment Rate		Hourly Earnings Inde	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	93449	93449	112.0	112.0	104402	104402	7.8	7.8	159.9	159.9
May	93768	93786	112.0	112.0	105288	105288	7.5	7.5	159.6	159.6
June	93970	94135	112.6	112.7	105748	105748	7.1	7.1	160.3	160.3
July	94286	94350	112.9	112.6	105879	105395	7.3	7.5	161.1	160.8
August	94533	94532	113.2	112.6	106220	104969	7.1	7.5	161.5	160.6
September	94795	94671	113.6	113.2	106575	105239	7.0	7.4	161.8	161.7
October	94762	94815*	113.3	113.2*	106537	105638*	7.0	7.4*	162.4	162.4
November	94897	94975	113.7	113.4	106895	105861	7.0	7.4	163.0	163.0
December	95416	95183	114.0	113.6	107181	106099	6.9	7.3	163.5	163.7
January 1985	95584	95390	114.3	113.8	107489	106333	6.9	7.3	164.3	164.3
February	95727	95557	114.6	114.0	107646	106529	6.9	7.2	165.3	165.1
March	95960	95721	115.0	114.1	107890	106724	6.7	7.2	166.2	165.8
April	96092	95889	115.0	114.3	108134	106982	6.6	7.1	166.9	166.5
May	96243	96057	115.2	114.5	108363	107180	6.6	7.1	167.6	167.2
June	96385	96222	115.4	114.6	108592	107425	6.5	7.0	168.2	167.9
July	96538	96390	115.6	114.8	108748	107632	6.5	7.0	169.1	168.8
August	96705	96558	115.7	115.0	108915	107819	6.6	7.0	170.0	169.6
September	96874	96723	115.9	115.1	109093	108031	6.7	6.9	170.9	170.5

PERSONAL INCOME

	Personal Income		Wage & Salary		Personal Savings		Disposable Income		Personal Outlays	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	2.969	2.969	1.785	1.785	162.3	153.4	2.545	2.544	2.383	2.385
May	2.981	2.979	1.789	1.790	142.9	132.1	2.554	2.549	2.411	2.417
June	3.005	3.007	1.802	1.804	156.8	143.9	2.573	2.570	2.417	2.426
July	3.028	3.027	1.814	1.813	163.1	157.6	2.591	2.587	2.428	2.429
August	3.050	3.043	1.825	1.817	157.9	168.8	2.609	2.600	2.451	2.431
September	3.061	3.067*	1.827	1.833*	142.9	167.9*	2.616	2.621*	2.473	2.453*
October	3.074	3.082	1.830	1.840	144.7	161.2	2.626	2.632	2.481	2.471
November	3.105	3.104	1.852	1.851	159.7	154.2	2.653	2.651	2.493	2.497
December	3.123	3.123	1.864	1.861	152.2	148.8	2.667	2.665	2.515	2.516
January 1985	3.140	3.137	1.877	1.876	148.2	146.5	2.680	2.675	2.532	2.529
February	3.164	3.156	1.892	1.888	151.3	146.8	2.699	2.689	2.548	2.542
March	3.188	3.175	1.908	1.898	155.7	144.3	2.719	2.704	2.563	2.560
April	3.209	3.195	1.918	1.908	157.5	142.2	2.737	2.719	2.579	2.577
May	3.234	3.216	1.929	1.920	163.7	142.4	2.760	2.737	2.596	2.595
June	3.260	3.235	1.938	1.929	169.0	139.5	2.781	2.752	2.612	2.613
July	3.281	3.269	1.951	1.943	168.3	155.7	2.797	2.783	2.629	2.627
August	3.301	3.290	1.964	1.956	166.5	155.1	2.811	2.798	2.645	2.643
September	3.320	3.312	1.977	1.968	166.2	158.8	2.826	2.816	2.660	2.657

Fore. = August Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.

CONSUMPTION

	Personal Consumption		Durables		Nondurables		Services		Consumption Real	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	2307.7	2310.1	309.7	309.7	855.3	855.3	1142.7	1145.1	1053.2	1053.
May	2334.0	2340.1	324.0	325.4	859.8	860.0	1150.2	1154.8	1065.4	1067.
June	2338.4	2347.9	322.5	326.9	858.3	859.7	1157.6	1161.2	1066.5	1071.
July	2349.1	2349.1	323.2	320.0	860.6	861.2	1165.3	1167.9	1067.8	1066.
August	2371.1	2350.3	324.4	315.1	867.3	856.4	1179.4	1178.8	1073.9	1062.
September	2391.9	2371.3*	325.6	317.5*	880.0	870.3*	1186.3	1183.5*	1078.9	1068.
October	2399.3	2388.3	323.8	321.2	880.9	875.7	1194.6	1191.3	1078.3	1071.
November	2410.5	2413.4	322.7	331.7	884.0	881.1	1203.8	1200.6	1079.5	1080.
December	2431.0	2431.9	330.6	333.4	887.4	889.4	1213.0	1209.1	1084.3	1084.
January 1985	2447.0	2443.3	332.9	332.5	892.5	892.2	1221.6	1218.6	1087.6	1084.
February	2461.9	2456.1	333.8	333.1	897.6	895.3	1230.5	1227.7	1090.8	1085.
March	2476.5	2472.6	333.8	335.1	902.1	900.9	1240.6	1236.6	1093.9	1088.
April	2491.7	2488.9	335.1	339.0	907.3	904.1	1249.3	1245.8	1096.2	1091.
May	2507.5	2505.7	336.3	341.6	912.0	909.7	1259.2	1254.4	1098.8	1094.
June	2522.2	2522.6	337.6	343.8	916.7	914.6	1267.9	1264.2	1100.0	1097.
July	2537.9	2536.4	339.7	342.6	920.9	920.5	1277.3	1273.3	1103.0	1098.
August	2552.8	2550.9	341.1	344.3	925.3	924.2	1286.4	1282.5	1105.6	1100.
September	2567.1	2564.4	341.9	344.1	929.4	928.4	1295.8	1291.9	1107.9	1101.

RETAIL SALES

	Retail Sales		Non-Auto Durables		Auto (Million Units)		Nondurable Sales		Auto Sales	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	107.51	107.51	15.37	15.37	10.1	10.2	70.07	70.07	22.07	22.07
May	108.24	108.24	15.49	15.49	11.0	11.0	70.33	70.33	22.42	22.42
June	108.78	109.32	15.50	15.71	10.8	10.8	70.42	70.64	22.86	22.98
July	108.94	107.44	15.71	15.44	10.7	10.6	70.50	69.99	22.73	22.02
August	109.77	106.81	15.77	15.58	10.8	9.9	71.05	70.15	22.95	21.08
September	110.81	108.52	15.69	15.52	10.8	10.2	72.09	71.64	23.03	21.36
October	110.67	109.40*	15.76	15.56	10.6	10.3*	72.17	72.09*	22.74	21.75
November	110.80	111.18	15.93	15.78	10.3	10.8	72.42	72.53	22.45	22.87
December	112.02	111.94	15.88	15.93	10.9	10.7	72.70	73.21	23.44	22.80
January 1985	112.71	112.06	15.90	15.90	11.0	10.6	73.12	73.44	23.69	22.72
February	113.22	112.32	16.09	15.93	10.9	10.6	73.53	73.62	23.60	22.76
March	113.60	113.08	16.19	16.02	10.8	10.6	73.90	74.16	23.51	22.90
April	114.18	113.80	16.25	16.15	10.8	10.7	74.33	74.42	23.60	23.23
May	114.70	114.56	16.46	16.12	10.7	10.8	74.71	74.88	23.55	23.56
June	115.25	115.23	16.37	16.29	10.8	10.8	75.10	75.29	23.78	23.65
July	115.84	115.61	16.37	16.35	10.9	10.7	75.44	75.77	24.03	23.49
August	116.36	116.11	16.65	16.47	10.8	10.7	75.80	76.08	23.91	23.56
September	116.80	116.43	16.64	16.56	10.8	10.6	76.14	76.42	24.02	23.45

Fore. = August Forecast
C.E. = Current Expectations
* = This item and those beyond it are projections.

BUSINESS ACTIVITY

	Manufacturers' Inventories		Durable Goods Orders		Non-Defense Capital Goods Orders		Non-Defense Capital Shipments	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	270.4	270.4	98.32	98.32	25.89	25.89	24.80	24.80
May	274.6	274.6	102.26	102.26	28.96	28.96	25.89	25.89
June	277.8	277.5	99.83	99.17	28.08	28.03	27.04	26.89
July	280.3	280.0	97.78	101.70	27.63	27.65	26.56	25.86
August	282.6	283.5	98.72	102.19	27.85	26.30	26.94	26.02
September	285.4	286.1*	99.63	102.80*	28.43	26.88*	27.47	26.25*
October	288.1	288.2	99.67	103.95	28.40	27.16	27.55	26.62
November	290.3	290.5	100.39	104.16	28.32	27.48	27.67	27.03
December	292.3	292.4	101.27	106.23	28.57	28.21	27.80	27.32
January 1985	294.8	294.1	103.43	104.69	29.18	28.05	28.15	27.49
February	297.1	295.8	103.76	105.02	29.20	28.36	28.46	27.73
March	299.8	297.9	104.68	106.43	29.53	28.83	28.79	27.96
April	302.2	299.8	103.78	105.89	29.50	28.62	28.85	28.15
May	305.7	302.3	105.14	107.16	29.63	28.94	28.93	28.42
June	307.8	304.5	104.88	108.22	29.71	29.16	28.93	28.71
July	310.4	307.1	106.62	108.86	30.12	29.43	29.01	29.02
August	313.2	309.2	107.18	109.23	30.28	29.71	29.50	29.38
September	315.7	311.5	107.50	108.85	30.37	29.66	29.76	29.52

	Business Inventories		Defense Shipments		Industrial Production		Capacity Utilization	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	541.1	541.1	5.99	5.99	162.2	162.2	81.5	81.5
May	545.9	545.9	5.75	5.75	162.7	162.9	81.5	81.6
June	550.8	546.8	5.92	5.98	164.1	164.4	82.0	82.2
July	556.3	551.2	6.06	5.99	165.2	165.8	82.3	82.7
August	560.5	556.2	6.18	6.25	166.3	166.2	82.6	82.7
September	564.7	560.1*	6.36	6.21*	166.5	166.0*	82.5	82.4*
October	569.3	565.0	6.35	6.26	166.2	166.8	82.1	82.6
November	573.9	569.8	6.43	6.35	166.7	167.5	82.2	82.8
December	578.1	574.5	6.52	6.44	167.3	168.0	82.4	82.9
January 1985	582.2	578.8	6.60	6.53	167.9	168.0	82.5	82.7
February	586.9	583.0	6.70	6.65	168.5	168.5	82.6	82.8
March	591.8	587.1	6.79	6.78	169.1	169.1	82.8	83.0
April	594.7	591.3	6.91	6.85	169.4	168.8	82.8	82.7
May	599.3	595.7	7.01	6.93	169.6	169.5	82.7	82.9
June	606.6	600.0	7.12	7.01	169.9	169.8	82.7	82.9
July	613.4	604.1	7.23	7.12	170.3	170.1	82.7	83.0
August	617.3	608.2	7.35	7.24	170.7	170.0	82.7	82.8
September	620.8	612.9	7.48	7.33	171.0	170.4	82.8	82.9

Fore. = August Forecast
C.E. = Current Expectations
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CONSTRUCTION

	Housing Starts		Single Family Starts		Housing Permits		Construction Expenditures (Current)		Construction Expenditures (Real)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	2.015	2.015	1.196	1.196	1.758	1.758	305.3	308.6	189.3	188.9
May	1.794	1.794	1.151	1.131	1.745	1.745	311.3	316.4	194.3	193.4
June	1.886	1.877	1.068	1.084	1.776	1.776	310.6	315.3	195.8	193.8
July	1.763	1.763	1.036	1.001	1.624	1.565	314.1	311.2	196.9	191.0
August	1.707	1.537	1.015	0.904	1.582	1.508	317.4	311.7	198.0	190.9
September	1.696	1.537*	1.027	0.882*	1.556	1.454*	319.5	313.1*	198.4	191.9
October	1.728	1.470	1.058	0.863	1.573	1.378	321.6	309.5	199.4	189.2
November	1.714	1.445	1.040	0.857	1.582	1.357	320.6	307.5	198.3	187.4
December	1.701	1.447	1.028	0.875	1.542	1.328	319.4	307.4	197.0	186.5
January 1985	1.656	1.473	1.003	0.896	1.503	1.338	322.1	307.9	197.9	186.6
February	1.692	1.423	1.032	0.867	1.517	1.317	328.1	309.9	200.9	187.4
March	1.719	1.420	1.043	0.894	1.538	1.302	333.8	311.3	203.9	187.5
April	1.684	1.456	1.002	0.913	1.543	1.318	332.3	312.5	202.1	187.6
May	1.608	1.467	0.994	0.905	1.496	1.327	331.7	313.9	201.0	187.5
June	1.595	1.505	0.953	0.922	1.472	1.352	333.1	316.3	201.0	188.3
July	1.638	1.533	0.986	0.961	1.483	1.389	336.1	319.5	202.0	189.3
August	1.627	1.578	0.974	0.994	1.465	1.416	338.0	322.6	202.5	190.3
September	1.577	1.599	0.917	1.006	1.441	1.448	339.8	325.7	202.9	191.4

	Non-Residential		Public Construction		Residential Construction	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	117.0	117.5	54.6	54.5	133.7	136.6
May	121.6	122.8	55.5	55.2	134.2	138.4
June	122.4	121.4	57.0	57.5	131.2	136.4
July	124.4	119.7	56.9	56.2	132.8	135.3
August	126.3	120.0	57.5	56.2	133.6	135.4
September	128.1	121.3*	58.2	56.7*	133.2	135.1*
October	130.3	122.0	58.7	57.5	132.6	130.0
November	132.5	122.9	59.1	58.0	129.0	126.6
December	134.8	123.8	59.6	58.4	125.0	125.2
January 1985	136.9	124.9	60.0	59.1	125.2	123.9
February	138.9	126.0	60.3	59.6	128.9	124.3
March	141.0	127.1	60.5	60.1	132.3	124.1
April	142.6	128.1	60.8	60.6	128.9	123.8
May	144.1	129.0	61.1	61.0	126.5	123.9
June	145.7	130.2	61.5	61.3	125.9	124.8
July	147.4	131.4	62.3	61.8	126.4	126.3
August	148.7	132.7	63.1	62.4	126.2	127.5
September	150.1	134.0	63.8	63.0	125.9	128.7

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PRICES

	CPI-U (seasonally adjusted)		PPI Finished Goods (seasonally adjusted)		PPI-Industrial Commodities (unadjusted)		Estimated GNP Deflator	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	309.0	309.0	291.6	291.2	322.5	322.6	221.69	221.76
May	309.6	309.6	291.5	291.5	323.3	323.3	222.25	222.38
June	310.1	310.1	291.4	291.4	323.9	323.9	222.98	223.06
July	311.1	311.1	292.2	292.3	324.3	324.0	223.55	223.99
August	312.0	312.6	292.8	292.0	325.0	323.5	224.16	224.56
September	312.9	313.8*	293.3	291.4	326.3	322.3	225.01	225.23
October	314.5	314.7	294.4	293.1*	328.4	324.9*	225.93	226.14
November	316.0	315.7	295.5	294.0	328.6	325.6	226.89	226.94
December	317.6	316.8	296.6	295.1	328.9	325.9	227.85	227.86
January 1985	318.9	318.2	297.5	296.3	330.6	326.5	229.11	229.18
February	320.2	319.6	298.4	297.6	332.4	328.2	229.93	230.10
March	321.5	320.9	299.6	298.8	334.1	329.6	230.75	231.03
April	323.0	322.2	300.8	300.0	335.2	330.5	231.63	231.97
May	324.6	323.3	302.0	301.2	336.4	331.3	232.60	232.89
June	326.3	324.7	303.5	302.4	337.5	331.9	233.62	233.81
July	327.4	326.1	304.1	303.5	339.0	332.8	234.54	234.79
August	328.5	327.4	305.0	304.7	340.8	333.6	235.41	235.74
September	329.7	328.8	306.1	305.9	342.6	334.5	236.30	236.74

	Consumption Deflator		Consumer Durables		Consumer Nondurables		Consumer Services		Implicit Construction Deflator	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	219.1	219.2	179.1	179.1	217.2	217.2	234.9	235.0	161.3	163.4
May	219.1	219.2	179.6	179.8	216.6	216.5	235.7	235.9	160.2	163.6
June	219.3	219.2	179.5	179.6	216.0	215.5	236.5	237.0	158.6	162.7
July	220.0	220.2	179.8	179.2	216.5	216.4	237.7	238.3	159.5	162.9
August	220.8	221.3*	180.0	179.5*	217.1	217.2*	238.8	239.4*	160.3	163.2
September	221.7	222.0	180.2	180.1	217.7	217.8	240.0	240.5	161.0	163.6
October	222.5	222.8	180.5	180.6	218.4	218.5	241.1	241.5	161.3	164.1
November	223.3	223.5	180.9	181.1	219.0	219.2	242.1	242.6	161.7	164.4
December	224.2	224.3	181.3	181.5	219.6	219.9	243.0	243.7	162.1	164.8
January 1985	225.0	225.3	181.7	182.1	220.3	220.5	244.2	245.0	162.8	165.0
February	225.7	226.3	182.0	182.5	221.0	221.3	245.5	246.3	163.3	165.4
March	226.4	227.2	182.3	182.9	221.7	222.1	246.8	247.5	163.7	166.0
April	227.3	228.1	182.6	183.4	222.4	222.9	247.9	248.8	164.4	166.6
May	228.2	228.9	183.0	183.8	223.0	223.6	249.0	250.0	165.0	167.4
June	229.3	229.9	183.4	184.3	223.7	224.3	250.1	251.3	165.7	168.0
July	230.1	230.9	183.9	184.9	224.4	225.0	251.3	252.5	166.4	168.8
August	230.9	231.8	184.5	185.5	225.0	225.7	252.5	253.8	166.9	169.5
September	231.7	232.8	185.1	186.0	225.6	226.5	253.6	255.1	167.5	170.2

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MISCELLANEOUS

	Merchandise Trade Balance		Leading Indicators		Estimated GNP		Estimated GNP (1972 $)		IVA (annual rate)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	-10.95	-10.95	168.3	168.2	3618	3618	1632	1631	7.9	7.8
May	-7.62	-7.62	168.9	168.6	3643	3642	1639	1638	9.3	8.5
June	-7.72	-7.72	167.4	166.7	3679	3675	1650	1648	8.0	6.9
July	-9.42	-14.06	167.0	163.7	3705	3702	1657	1653	6.2	8.8
August	-7.63	-9.86	167.5	164.5	3725	3716	1662	1655	4.3	5.2
September	-8.78	-10.19*	168.2	164.8	3746	3728	1665	1655	3.6	5.9
October	-8.93	-10.62	168.0	165.2	3768	3752	1668	1659	9.9	7.5
November	-9.08	-9.85	168.5	165.0	3785	3785	1668	1668	16.7	8.8
December	-8.92	-10.28	169.5	165.8	3822	3812	1677	1673	19.9	9.6
January 1985	-7.85	-11.04	169.8	166.5	3847	3845	1679	1678	18.7	11.4
February	-8.63	-11.83	170.5	167.3	3875	3877	1685	1685	17.5	11.0
March	-10.32	-11.26	170.8	167.6	3914	3909	1696	1692	16.2	11.3
April	-8.86	-10.61	171.3	167.5	3928	3932	1696	1695	18.4	12.5
May	-9.25	-10.88	171.8	168.1	3952	3958	1699	1699	20.3	12.0
June	-9.02	-11.25	172.2	168.5	3977	3983	1702	1703	20.1	11.3
July	-8.95	-12.02	171.5	169.3	4002	4005	1706	1706	20.8	13.8
August	-8.82	-11.65	171.2	169.7	4029	4030	1711	1710	21.1	14.7
September	-8.76	-11.14	170.8	170.1	4055	4059	1716	1714	20.8	15.2

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FINANCIAL MARKETS

	Monetary Base		M1		M2		Federal Funds		T-Bills (6 Mos.)	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	208.4	208.4	535.3	535.3	2242.2	2242.7	10.29	10.29	9.84	9.84
May	210.0	210.0	541.0	541.0	2259.6	2258.4	10.32	10.32	10.31	10.31
June	212.9	212.8	546.2	546.2	2273.0	2272.0	11.06	11.06	10.51	10.51
July	213.0	212.5	547.3	545.6	2285.5	2281.4	11.15	11.23	10.50	10.52
August	214.1	212.7	550.2	546.4	2296.2	2290.1	11.31	11.64	10.46	10.61
September	215.3	215.0	553.3	549.0	2307.5	2304.7	11.32	11.30	10.55	10.47
October	216.7	216.3*	557.8	553.6*	2322.4	2325.4*	11.30	10.53*	10.43	10.23
November	218.3	217.5	561.2	557.5	2343.6	2342.8	11.35	10.55	10.47	10.17
December	219.9	218.8	564.6	562.1	2366.2	2362.9	11.33	10.87	10.52	10.36
January 1985	221.2	219.6	568.3	564.8	2384.6	2378.4	11.62	11.23	10.67	10.57
February	222.6	220.7	572.1	569.4	2400.2	2401.2	11.76	11.38	10.76	10.65
March	224.1	221.5	575.8	572.6	2415.9	2419.4	11.91	11.66	10.85	10.84
April	225.5	223.1	578.9	577.8	2435.7	2439.4	12.27	11.82	11.02	11.03
May	226.9	224.5	582.4	579.7	2456.9	2453.1	12.53	11.89	11.20	11.01
June	228.3	226.0	586.1	582.0	2477.3	2465.9	12.46	11.56	11.17	10.78
July	229.7	227.2	589.0	585.3	2495.2	2484.7	12.02	11.53	10.72	10.71
August	231.0	228.3	591.8	587.2	2509.8	2496.2	11.75	11.31	10.43	10.58
September	232.3	229.6	594.6	590.8	2524.7	2514.3	11.48	11.38	10.29	10.53

	Aaa (Seasoned)		Municipals (Bond Buyer)		(3 Month) Commercial Paper		90 Day CD's		Prime Rate	
	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.	Fore.	C.E.
April 1984	12.81	12.81	10.19	10.19	10.18	10.18	10.41	10.41	11.93	11.93
May	13.28	13.28	10.49	10.49	10.65	10.65	11.11	11.11	12.39	12.39
June	13.55	13.55	10.67	10.67	10.98	10.98	11.34	11.34	13.00	12.60
July	13.43	13.44	10.48	10.42	11.18	11.19	11.52	11.56	13.00	13.00
August	13.07	12.87	10.13	10.06	11.30	11.18	11.73	11.47	13.00	13.00
September	12.62	12.66	9.72	10.03	11.32	11.04	11.80	11.29	13.00	13.00
October	13.06	12.56*	10.12	10.28*	11.30	10.46*	11.71	10.78*	13.00	12.79*
November	13.39	12.68	10.47	10.52	11.26	10.43	11.59	10.67	13.00	12.50
December	13.72	12.74	10.84	10.70	11.25	10.78	11.55	11.03	13.00	12.50
January 1985	13.52	12.99	10.68	10.90	11.58	11.07	11.88	11.29	13.37	12.73
February	13.46	13.11	10.57	11.01	11.71	11.25	11.99	11.51	13.50	13.02
March	13.51	13.28	10.61	11.13	11.90	11.52	12.17	11.78	13.78	13.50
April	13.59	13.43	10.74	11.21	12.07	11.76	12.38	11.99	14.00	13.50
May	13.92	13.41	11.14	11.13	12.36	11.93	12.63	12.26	14.36	13.85
June	13.74	13.27	10.94	11.04	12.30	11.74	12.65	12.05	14.50	14.00
July	13.41	13.15	10.54	10.80	11.98	11.65	12.36	11.94	14.43	14.00
August	13.17	12.96	10.30	10.69	11.74	11.53	12.07	11.83	13.93	13.76
September	13.08	12.84	10.20	10.53	11.39	11.48	11.68	11.71	13.42	13.50

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